



Department of Defense



***National Security
Personnel System***

Department of Defense
National Security Personnel System

Town Hall Brief

March 2006

Why NSPS?

- Advance DoD's critical national security mission
- Respond swiftly and decisively to national security threats and other missions
- Accelerate DoD's efforts to create a Total Force
- Retain and attract talented and motivated employees committed to excellence
- Compensate and reward employees based on performance and mission contribution
- Expand DoD's ability to hire more quickly and offer competitive salaries



What is NSPS?

- **Performance management system that:**
 - Values performance and contribution
 - Encourages communication
 - Supports broader skill development
 - Promotes excellence
- **Streamlined and more responsive hiring process**
- **Flexibility in assigning work**
- **Preservation of employee benefits, rights and protections**
- **Preservation of rights of employees to join a union**
- **Tools to shape a more effective and efficient workforce**

DoD's Flexible and Responsive Civilian Personnel System

- Put mission first – support National Security goals and strategic objectives;
- Respect the individual – protect rights guaranteed by law;
- Value talent, performance, leadership and commitment to public service;
- Be flexible, understandable, credible, responsive, and executable;
- Ensure accountability at all levels;
- Balance HR interoperability with unique mission requirements; and
- Be competitive and cost effective.

- **Recognizes and rewards employees based on personal contributions to mission**
- **Opens communication between supervisors and employees: all know expectations**
- **Encourages employees to take ownership of their performance and success**
- **Promotes broader skill development and advancement opportunities in pay bands**



Key Events and Activities

2003

- NSPS authorized by National Defense Authorization Act

2004

- Working groups developed human resources, labor relations and appeals options
- Conducted Focus Groups and Town Halls worldwide
- Met with labor organizations on design input

2005

- Published proposed and final NSPS Regulations
- Considered 58K comments received during public comment period
- Held meet and confer sessions and continued collaboration with unions
- Testified before Congress
- Conducted Train-the-Trainer sessions

2006

- Simplifying performance management
- Ongoing implementing issuance modifications and continuing collaboration
- Piloting training at NAVSEA Headquarters
- Court decision
- Spiral 1.1 implements Human Resources System provisions - performance management, classification, compensation, staffing and workforce shaping

- **Merit System Principles**
- **Veterans' Preference Principles**
- **Whistleblower protections**
- **Rules against prohibited personnel practices**
- **Anti-discrimination laws**
- **Fundamental due process**
- **Benefit laws on retirement, health, life, etc.**
- **Allowances and travel/subsistence expenses**
- **Training**

■ NSPS Human Resources System

- **Vast majority of DoD employees eligible for coverage**
 - ✓ initially applies only to selected GS/GM and Acquisition Demo employees
 - ✓ Employees in special pay/classification systems (e.g., wage grade) will be phased in later
- **Certain categories excluded (e.g. intelligence personnel, Defense Labs listed in NSPS law)**

Vast majority of DoD civilian employees

Human Resources System

- **Classification** - Simple, flexible
- **Compensation** - Performance-based, market-sensitive
- **Performance management** - Linked to agency mission
- **Staffing** - The right person, in the right place, at the right time
- **Workforce Shaping** - Streamlined, mission-responsive

Adverse Actions and Appeals

- Enjoined

Labor Relations System

- Enjoined

- Feb 27, 2006, Judge Sullivan issued decision regarding legality of certain NSPS provisions. The Court concluded that:
 - DoD and OPM satisfied their statutory obligation to collaborate in developing the system
 - DoD lawfully had the authority to depart from Chapter 71 in establishing a new labor relations system
 - New rule fails to ensure that employees can bargain collectively
 - The National Security Labor Relations Board does not meet Congress' requirement for "independent third party review" of labor relations decisions
 - The process for appealing adverse actions fails to provide employees with "fair treatment" as required by Congress
- DoD, OPM and DOJ attorneys reviewing Court's decision

- **Jobs in broad “pay bands” based on nature of work and competencies**
- **Progress in bands dependent on performance, complexity and/or contribution, market conditions**
- **Position descriptions are less detailed**
- **Classification appeal rights protected**
- **Allows flexibility to assign new or different work**
- **Promotes broader skill development and advancement opportunities within and across pay bands**

Positions Grouped in Broad Bands

Subject to Continuing Collaboration



Classification Architecture

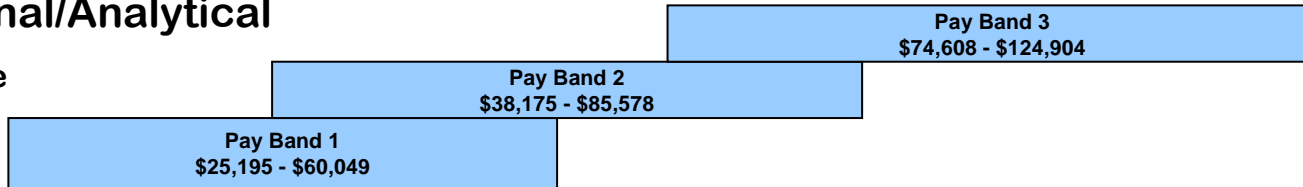
STANDARD CAREER GROUP <ul style="list-style-type: none">● Pay Schedules<ul style="list-style-type: none">✓ Professional/Analytical✓ Tech/Support✓ Student Employment✓ Supervisor/Manager <p>71% of DoD white collar workforce</p>	INVESTIGATIVE & PROTECTIVE SERVICES CAREER GROUP <ul style="list-style-type: none">● Pay Schedules<ul style="list-style-type: none">✓ Investigative✓ Fire Protection✓ Police/Guard✓ Supervisor/Manager <p>6% of DoD white collar workforce</p>
SCIENTIFIC & ENGINEERING CAREER GROUP <ul style="list-style-type: none">● Pay Schedules<ul style="list-style-type: none">✓ Professional✓ Tech/Support✓ Supervisor/Manager <p>18% of DoD white collar workforce</p>	MEDICAL CAREER GROUP <ul style="list-style-type: none">● Pay Schedules<ul style="list-style-type: none">✓ Physician/Dentist✓ Professional✓ Tech/Support✓ Supervisor/Manager <p>5% of DoD white collar workforce</p>



Standard Career Group

Professional/Analytical

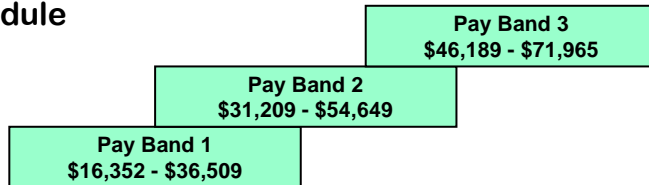
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------

Technician/Support

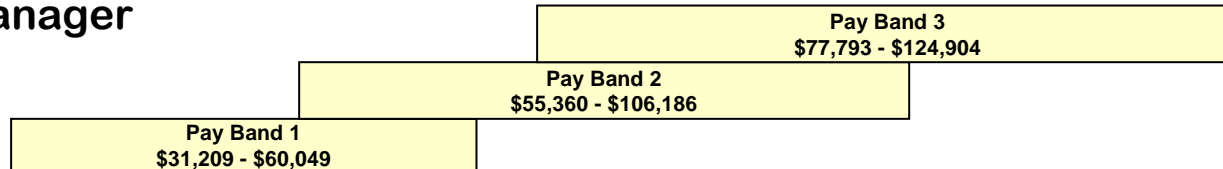
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------

Supervisor/Manager

Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------

Student

Pay Schedule



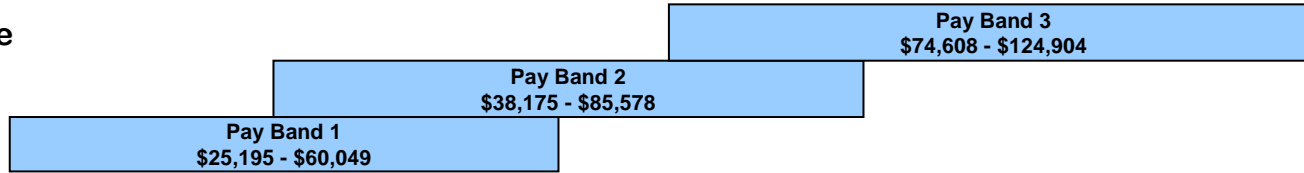
\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------



Scientific and Engineering Career Group

Professional

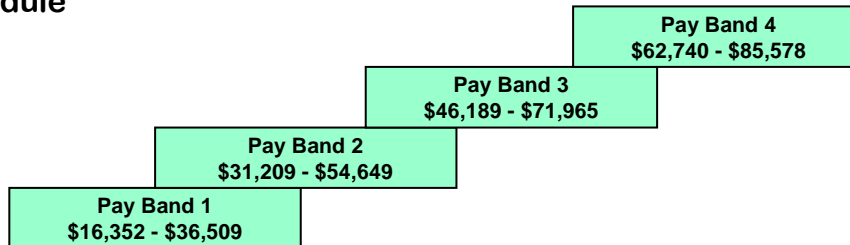
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------

Technician/Support

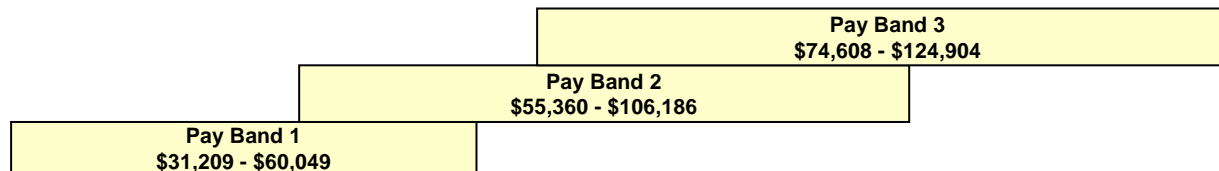
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------

Supervisor/Manager

Pay Schedule



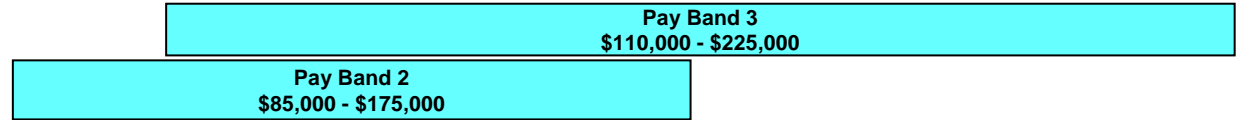
\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------



Medical Career Group

Physician/Dentist

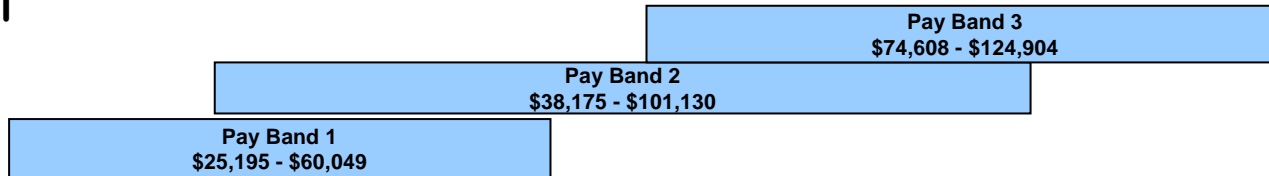
Pay Schedule



\$25,000 60,000 95,000 130,000 \$165,000 200,000 225,000

Professional

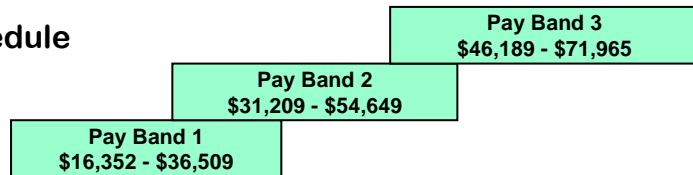
Pay Schedule



\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Technician/Support

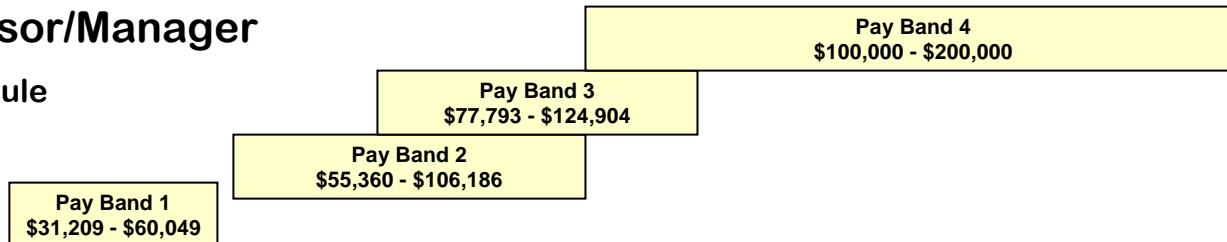
Pay Schedule



\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Supervisor/Manager

Pay Schedule



\$25,000 60,000 95,000 130,000 165,000 200,000 225,000

March 2006

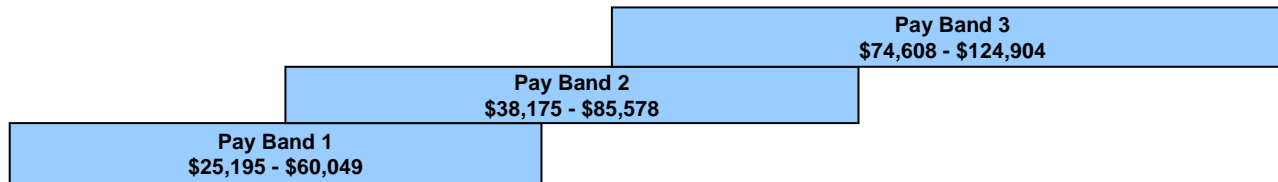
Subject to Continuing Collaboration



Investigative and Protective Services Career Group

Investigative

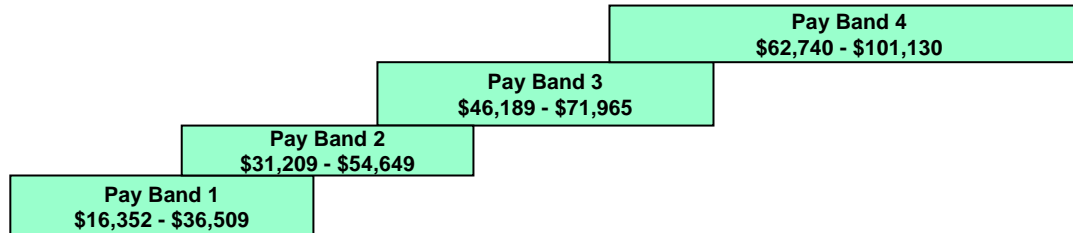
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------

Fire Protection

Pay Schedule



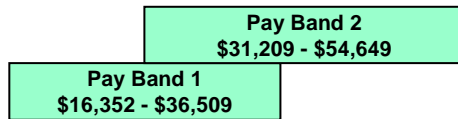
\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------



Investigative and Protective Services Career Group (cont.)

Police/Security Guard

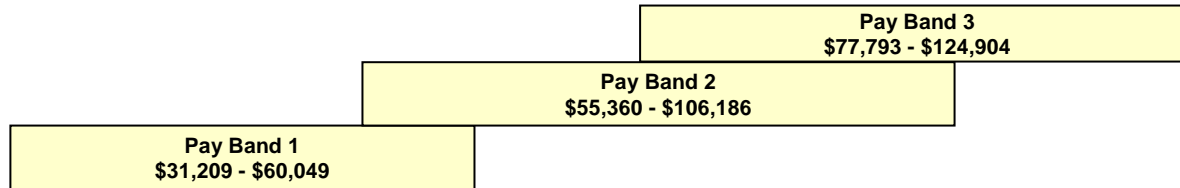
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------

Supervisor/Manager

Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------



Compensation

Performance-Based Pay

- Annual pay raises or bonuses based on performance
- High-performing employees can get higher pay raises
- Employees must perform at “Valued Performance” (Level 3) or higher to get any increase

Rate Range Increases

- Nation-wide salary adjustments, may vary by pay band
- Employees must perform at “Fair” (Level 2) or higher to get any increase

Local Market Supplement Increases

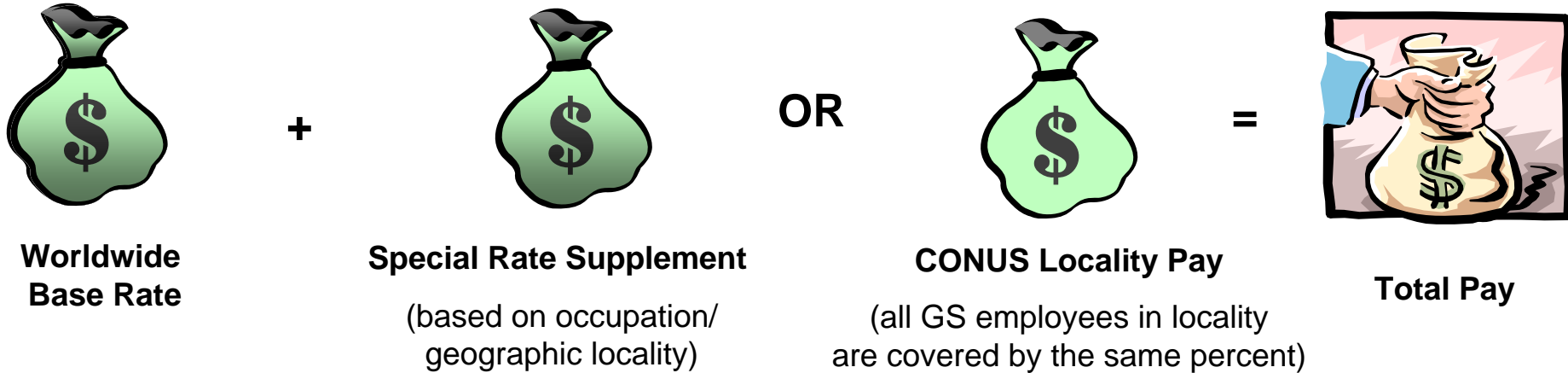
- Similar but not identical to locality pay - addition to base pay
- Based on geographic or occupation market conditions
- In given area, can differ from one occupation to another
- Employees must perform at “Fair” (Level 2) or higher to get any increase

Other Features

- Rate ranges and local market supplements are reviewed annually
- 6% minimum salary increase for promotions
- Eligibility for salary increase for reassignment/reduction in band

Pay bands replace General Schedule

General Schedule



NSPS



SECDEF Decisions (Outside Pay Pool)

- Rate Range Adjustments *
- Local Market Supplement (LMS) *

Performance-Based Pay (Inside Pay Pool)

- WGs **
- QSI **
- Promotions
- Annual Bonuses
- Portion of GPI ***

Money
histori-
cally
spent

Chapter 45 Incentive Awards (Outside Scope of NSPS)

- Special Act
- On-the-Spot
- Time Off

Element 1 2 3

* Funded by annual January pay increase

** Does not exist under NSPS

*** Portion remaining after funding Rate Range Adjustments and LMS

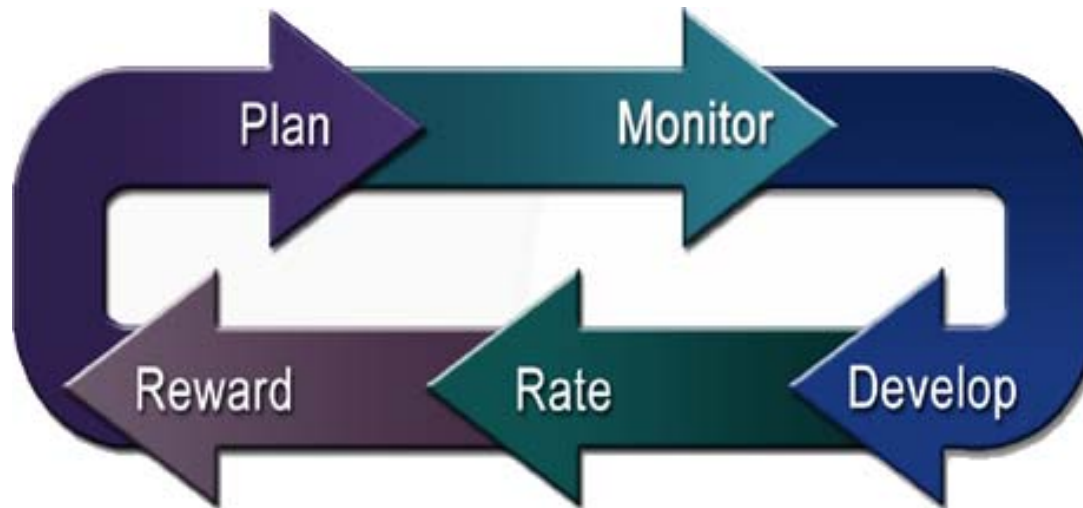
NOTE: Extraordinary Pay Increases (EPIs) may be funded from within the Pay Pool or from other sources.
March 2006

- **Employees will not lose pay upon conversion**
- **Conversion based on current position of record**
- **Employees eligible for a within-grade increase (WGI) will receive a pro-rated increase in their salary**

Subject to Continuing Collaboration

■ NSPS Performance Management Cycle

- Plan employee performance
- Monitor employee performance
- Develop employee performance
- Rate employee performance
- Reward employee performance



- Results-oriented, mission-focused
- Clear and understandable (fair, credible, and transparent)
- Direct link between pay and performance and mission accomplishment
- Reflect meaningful distinctions in employee performance
- Robust (capable of supporting pay decisions)
- **Job objectives** – the “**What**” – primary focus
- **Manner of performance** – the “**How**” – contributing factors that influence the objective rating
- Supervisors are rated on at least one supervisory objective

Subject to Continuing Collaboration

■ Contributing Factors = “How”

- Selected for each objective
- Attributes of job performance that are significant to the accomplishment of individual job objectives
- Further defined by “work behaviors” and “benchmark descriptors”
- Standard across DoD
- Described at the “Expected” and “Enhanced” level

**Technical
Proficiency**

Critical Thinking

**Cooperation
& Teamwork**

Communication

Customer Focus

**Resource
Management**

Leadership

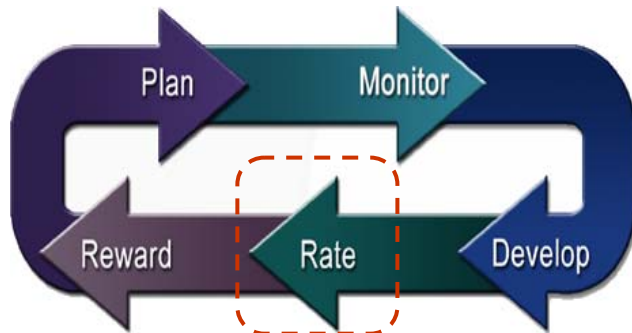
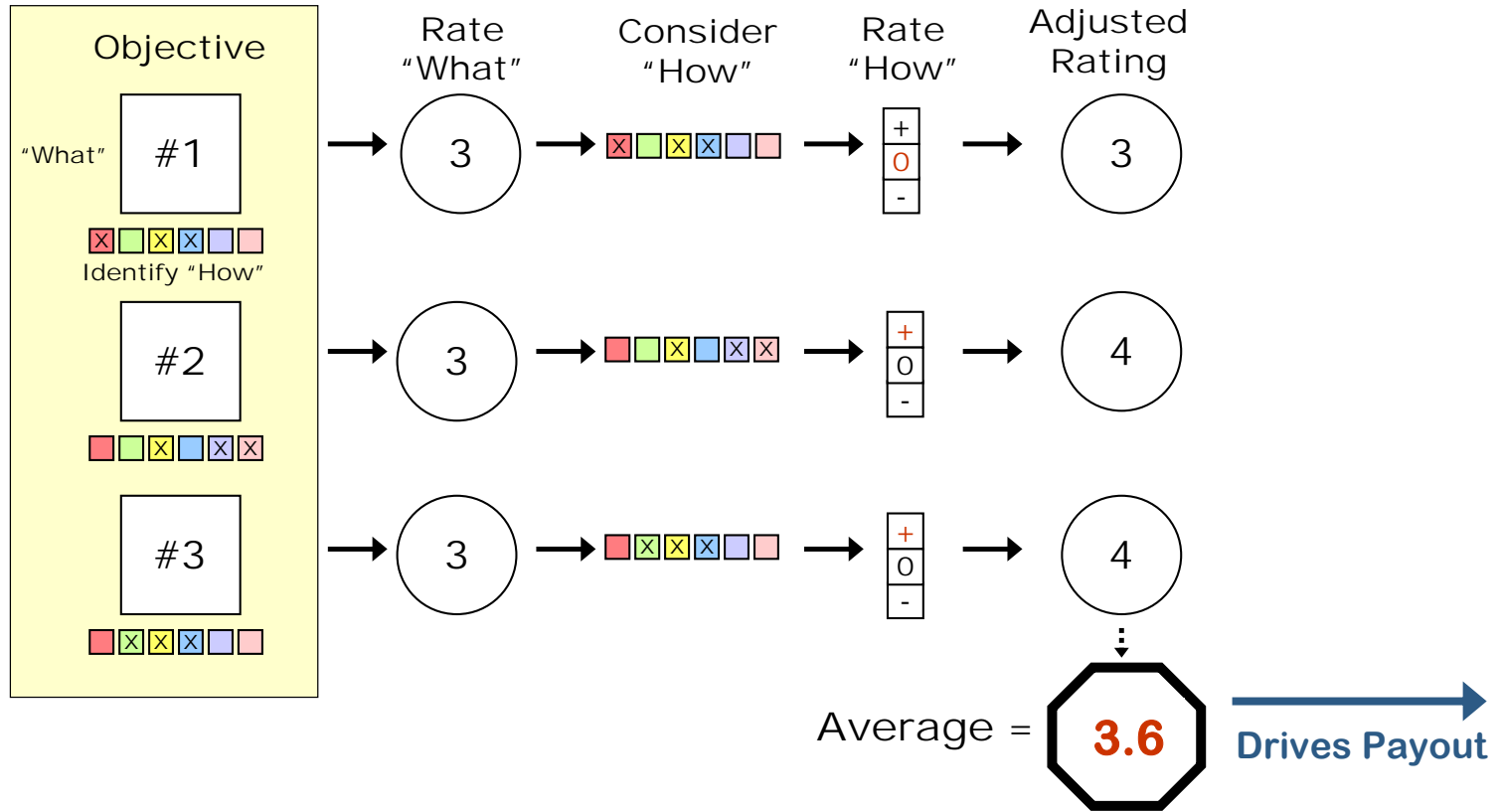
Subject to Continuing Collaboration

Performance is linked to mission and rated on:

- ✓ Responsibilities
- ✓ Behaviors
- ✓ Skills
- ✓ Tasks

Performance	Rating	Employees are eligible to receive.....
Role Model	5	Performance Based Pay Rate Range Adjustments Local Market Supplement Increases
Exceeds Expectations	4	
Valued Performance	3	
Fair	2	Rate Range Adjustments Local Market Supplement Increases
Unsuccessful	1	No Increases

Subject to Continuing Collaboration



Subject to Continuing Collaboration

- DoD hiring authorities provide more flexibility to respond to mission changes
- Hiring process streamlined
- Pay setting flexibilities increase ability to retain and attract quality candidates
- DoD qualification requirements recognize unique mission
- Longer probationary periods for some occupational categories allow more time to evaluate new employees
- Veterans' preference rights protected

Streamlined promotion and hiring process

Subject to Continuing Collaboration

- Streamlined, mission responsive
- Four retention factors remain, and are considered in this order:
 - Tenure
 - Veterans' Preference
 - Performance
 - Seniority
- Multiple years' performance credit for reduction in force
- Two years of retained pay for displaced employees
- Less disruptive to employees and mission

More emphasis on performance

Subject to Continuing Collaboration

- **Learning objectives**
 - Teach skills and behaviors to implement and sustain NSPS
 - Educate employees about NSPS
- **Dual focused**
 - Soft Skills
 - Specialized training for all functional areas
 - ✓ Classroom sessions
 - ✓ Web based courses
 - ✓ “Fundamentals of NSPS”
 - ✓ NSPS 101 (web-based)
 - ✓ Periodic printed materials, brochures & pamphlets
- **Status**
 - Behavioral “soft-skills” training in process
 - Piloted NSPS functional training at Naval Sea Systems Command Headquarters (except performance management)
 - Train - the -Trainer and workforce NSPS functional training to resume in March
 - NSPS 101 training available in April

- **Employees informed of program plans and changes through:**
 - Town hall briefs
 - Frequently Asked Questions lists
 - Employee Fact Sheets
 - Articles in local and base newspapers
 - DoD and Component Web Pages
 - Major conferences

- **DoD and Component leaders will ensure discussions on program changes occur between local management and employees**

- **Implementing Human Resources System (HR) provisions**
 1. Performance management
 2. Classification
 3. Compensation
 4. Staffing
 5. Workforce shaping

- **Court enjoined**
 - Adverse Actions and Appeals
 - Labor Relations System

- **NSPS deployment – 5 HR provisions**
 - **Spiral 1.1**
 - Begins April 2006 - about 11,000 employees
 - Rating cycle through October 2006
 - Performance payout in January 2007
 - **Spiral 1.2**
 - Begins October 2006 - Organizations TBD
 - Performance payout January 2008
 - **Spiral 1.3**
 - Begins January 2007 - Organizations TBD
 - Performance payout January 2008
- **Spirals 2 and 3 following the certification of the performance management system**
- **Continuous evaluation and system improvements**

From 25 years of DoD Experience:

- Everything takes longer than you think
- Communication is critical
- Train your way to success
- Evaluation assures accountability
- Transformational change must happen at every level

- A modern, flexible, and agile human resources system
 - Responsive to the national security environment
 - Preserves employee protections and benefits

*“NSPS is a win-win-win system ...
a win for our employees, a win for our
military and a win for our Nation.”*

*Honorable Gordon R. England
NSPS Senior Executive*

QUESTIONS?

www.cpms.osd.mil/nsps